

1 BILL NO. S-84-07- 01

2 SPECIAL ORDINANCE NO. S- Withdrawn

3 AN ORDINANCE fixing the compensation
4 of the Mayor of the City of Fort Wayne,
Indiana for the year 1985.

5 WHEREAS, the Common Council of the City of Fort Wayne,
6 Indiana is required to pass an ordinance or ordinances specifi-
7 cally fixing the salaries of the elected officials in accordance
8 with I.C. 36-4-7-2; and

9 WHEREAS, funds for such salaries are to be provided
10 from the 1985 City budget; and

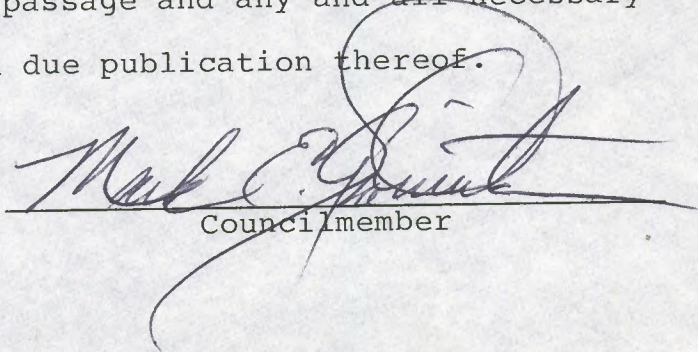
11 WHEREAS, this ordinance applies to the Mayor of the
12 City of Fort Wayne, Indiana for the year 1985.

13 NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF
14 THE CITY OF FORT WAYNE, INDIANA:

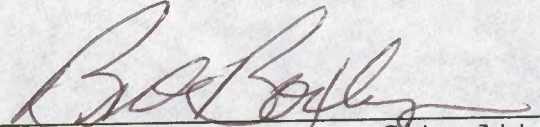
15 SECTION 1. That the Mayor of the City of Fort Wayne,
16 Indiana shall be paid, for the year 1985, not less than Forty
17 Thousand Dollars (\$40,000.00) nor more than Sixty Thousand Dollars
18 (\$60,000.00), as finally determined by the Common Council at the
19 time this ordinance is passed.

20 SECTION 2. That the compensation herein referred to
21 represents the preliminary findings of the Common Council's
22 Salary Study Committee. That this ordinance shall be published
23 in accordance with I.C. 5-3-1-2.

24 SECTION 2. That this Ordinance shall be in full force
25 and effect from and after its passage and any and all necessary
26 approval by the Mayor and upon due publication thereof.

27 
28 Council member

29 APPROVED AS TO FORM
30 AND LEGALITY

31 
32 Bruce O. Boxberger, City Attorney

Read the first time in full and on motion by Stier,
seconded by Redd, and duly adopted, read the second time
by title and referred to the Committee Finance (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne,
Indiana, on _____, the _____ day of
_____, 19_____, at _____ o'clock _____ .M., E.S.T.

DATE: 7-10-84

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by _____,
seconded by _____, and duly adopted, placed on its
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	_____	_____
<u>REDD</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: _____

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort
Wayne, Indiana, as (ANNEXATION) (APPROPRIATION) (GENERAL)
(SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. _____
on the _____ day of _____, 19_____,

ATTEST:

(SEAL)

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana,
on the _____ day of _____, 19_____,
at the hour of _____ o'clock _____ .M., E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this _____ day of _____,
19_____, at the hour of _____ o'clock _____ .M., E.S.T.

Win Moses, Jr.
WIN MOSES, JR., MAYOR

BILL NO. S-84-07-01

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS REFERRED AN
ORDINANCE fixing the compensation of the Mayor of the City of
Fort Wayne, Indiana for the year 1985

HAVE HAD SAID ORDINANCE UNDER CONSIDERATION AND BEG LEAVE TO REPORT
BACK TO THE COMMON COUNCIL THAT SAID ORDINANCE To Be PASS.
Withdrawn

MARK E. GIAQUINTA, CHAIRMAN

JAMES S. STIER, VICE CHAIRMAN

JANET G. BRADBURY

THOMAS C. HENRY

DONALD J. SCHMIDT

CONCURRED IN 12-11-84
SANDRA E. KENNEDY, CITY CLERK

AN ORDINANCE fixing the compensation of
elected officers of the City of Fort
Wayne, Indiana for the year 1985.

WHEREAS, the Common Council of the City of Fort Wayne is required to pass an Ordinance specifically fixing the salaries of City elected officers in accordance with the provisions of I.C. 36-4-7-2; and

WHEREAS, funds for such salaries are to be provided from the 1985 City Budget and other sources, as specified by the Common Council.

NOW THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:

SECTION 1. That the following elected officers of the City of Fort Wayne, Indiana shall be compensated at the rates indicated herein for the year 1985:

Mayor of the City of
Fort Wayne, Indiana

Not less than \$40,000.00
Nor more than \$60,000.00

SECTION 2. That the compensation herein referred to represents the preliminary findings of the Council Salary Study Committee.

SECTION 3. That this Ordinance shall be published in accordance with the provisions of I.C. 5-3-1-2.

SECTION 4. That this Ordinance shall be in full force and effect from and after its passage, any and all necessary approval by the Mayor and due publication thereof.

MARK E. GIAQUINTA, COUNCILMEMBER

(219) 423-2473
Out of State
1-800-348-1700

L & L Fittings Mfg.
1218 W. Main St.
P.O. Box 11324
Ft. Wayne, Indiana 46857



July 19, 1984

City Council of Fort Wayne
City-County Building
One Main Street
Fort Wayne, Indiana 46802

Dear Council Members;

Enclosed please find the report for recommendations and analysis of the Mayor's salary, prepared by the Mayor's Salary Recommendation Committee, appointed by the City Council and consisting of the following committee members:

David P. Schenkel
Mildred V. Roese
Gregory C. Williams
Michael Downs
C. Lockwood Marine
Fredrick P. Farkus
Paul Helmke
Richard Clark
Julian Weller
John O. Auld
Nelson Miller

The following package was prepared at the request of City Council for your evaluation:

- (1) Job Description of the Mayor
- (2) Analysis for Mayor's Salaries in comparable cities

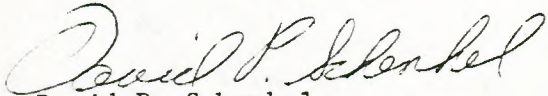
July 19, 1984

Page 2

- (3) Public and Quasi-Public agency salary comparisons
- (4) Private Sector Salary Comparisons
- (5) Final recommendation of committee

I trust that the enclosed data will be sufficient for your evaluation.

Sincerely Yours,

A handwritten signature in cursive script, reading "David P. Schenkel".

David P. Schenkel,
Chairman
Mayor's Salary Recommendation Committee

DPS/sk
Enclosure

JOB DESCRIPTION

OF THE

MAYOR

MEMORANDUM TO
THE COMMITTEE TO EVALUATE THE MAYORAL SALARY

A JOB DESCRIPTION: THE MAYOR OF FORT WAYNE

Produced by the Council Internship

Supervisor: Sandra Kennedy

Project Intern: Nelson Miller

OUTLINE: I. Definition as supreme executive authority of the city

- A. Causing ordinances and laws to be enforced
- B. Protecting lives and property from violence
- C. Maintaining efficient government of the city

II. Examples of duties

A. Legal duties

- 1. Dealing with City Council
- 2. Appointive powers
- 3. Administrative chores
- 4. Magistrative roles

B. Traditional duties

III. Compensation

- A. Salary classifications
- B. Other compensation

A JOB DESCRIPTION: THE MAYOR OF FORT WAYNE

DEFINITION. By guidelines established in the Indiana Code for second class cities, the mayor of Fort Wayne is the supreme executive authority employed by the city, and, as such, is charged with three general responsibilities that define the role: (1) causing ordinances of the city and laws of the state to be executed and enforced, (2) protecting the lives and property of its citizens from the threat of violence, if necessary by declaring a curfew and promulgating regulations, and (3) exercising general supervision over subordinate officers with the goal of maintaining good order and efficient government of the city.¹ The city's population and territory over which this authority must be exercised are in the range of 172,000 inhabitants and 52.5 square miles,² with an assessed valuation of property at \$ 731,141,180;³ the city employs 1782 people to govern this region (included are 450 city utilities employees)⁴ with a projected 1984 budget of roughly 72 million dollars (included is an estimated expense budget of 16 million dollars for city utilities; not included are most grant funding and all city utility capital expenditures).⁵

DUTIES. Examples of the mayor's legal duties in carrying out the office's responsibilities are outlined by heading below:

City Council

- to annually communicate to Council the financial and general state of the city, and to furnish information on city affairs to Council when called upon;
- to make written recommendations to, and call special sessions of,

City Council when deemed expedient; and

- to approve or disapprove all ordinances and resolutions of the City Council.⁶

Appointive (Note much overlap in the law establishing these powers)

- to appoint a city controller, city civil engineer, city attorney, fire and police chiefs, and all officers, employees, boards and commissions pursuant to law now in effect;
- to appoint a clerk of the Board of Public Works and Safety, and to appoint members of the Board of Public Works and the Board of Public Safety;
- to fill by appointment certain vacancies in unexpired terms of city officers;
- to appoint and remove all department heads;
- to appoint examiners of the accounts of any department; and
- to appoint members of the Board of Aviation Commissioners, the Building Authority Trustees, and the Board of Health.⁷

Administrative

- to sign all bonds and deeds and written contracts pursuant to the law of any city department;
- to call department heads together at least once a month for reports;
- to keep school fund accounts open to inspection by the county superintendent; and
- to serve on the Board of Trustees of the Utilities Pension Fund.⁸

Magistrative

- to inquire after the facts of arrest and the circumstances of a minor in violation of curfews, and to cause the proper proceedings to be taken;
- to hear complaints against city licensees; and
- to accept the authority to solemnize marriages and administer oaths.⁹

The traditional duties of the mayor, those not explicitly stated in legal codes yet very much a part of the expected performance of the mayor, are to fashion city policy in a great range of areas, and develop programs whose goals are to carry out those policies; examples under the current administration include programs in consumer and minority affairs, in crime-prevention and safety, and in helping the economically disadvantaged to manage rising energy costs. The mayor is typically an official spokesman for the city, representing Fort Wayne as an attractive home for prospective businesses and working to see legislation favorable to the city enacted in the Indiana General Assembly and the United States Congress, and the mayor could be expected to belong to two or three state and national associations such as the National League of Cities or the United States Conference of Mayors, bodies who represent the interests of cities in state and national policy forums. Issuing proclamations and citizen commendations fall well within the expected performance of the job, as well.¹⁰

COMPENSATION. The Fort Wayne City Code establishes twenty labor grades, classifies most municipal jobs within those grades, and sets a maximum figure on the salary for each of those labor grades. The mayor occupies the top labor grade (20), the city controller and Board of Public Works chairman whom the mayor appoints fill labor grade 19, and other key department heads and directors fall into labor grades 18 and 17. The maximum annual salary for grade 19 (for the city controller and Board of Public Works chairman) is \$33,475, that for grade 18 \$32,188, and so on down in increments of \$1000 to \$2000, to an annual salary of \$10,300 for labor grade 1 employees. Some city positions (like City Clerk, Council attorney, and City attorney, whose maximum allowable salaries stand between \$23,000 and \$24,000 annually) have unclass-

ified labor gradings, but, by Fort Wayne City Code Section No. 20-15e, no person employed by the city may make a higher salary than that of the mayor of Fort Wayne. There is no legal limit to the maximum salary of the mayor of Fort Wayne, and the mayor's salary is established in action by the Fort Wayne City Council.¹¹

The actual annual salaries for the mayor and for some key positions within the city are listed below:

Mayor.....	\$32,959
City Controller.....	\$32,957
Board of Public Works Chairman.....	\$32,957
Director, Economic Development.....	\$32,500
Fire Chief.....	\$29,856
Police Chief.....	\$29,856

City employees participate in the Public Employment Retirement Fund, a state-sponsored plan similar to others offered by employers in public and private sectors that requires a 3% payroll deduction and ten year tenure with the city. A \$15,000 life insurance policy (at the nominal charge of ten cents per month) and paid medical insurance or HMO participation are awarded all city employees, in addition to reasonable vacation and sick-leave time. Some high-level city officials, mayor and city controller included, receive the free personal use of a city vehicle (generally three to four years old from use by police personnel) with a private license plate. This vehicle, outside of the funds for travel and expenses controlled by the mayor and each department head subject to restrictions as to use and to accounting and review by city agencies, is the primary "perk" to which the mayor is entitled, a privilege he shares with several other city officials.¹² (Certain factors, like

garage parking, secretarial services, and office location and furnishing, appurtenances not all or even many city employees have access to, are too closely associated with the secure and efficient performance of the job to fairly be considered as perks, though such a judgement may better be left to the conscience of the Committee.)

NOTES

This has been a summary of the legal and traditional responsibilities and compensation of the mayor of Fort Wayne. The research and compilation was performed from December 12, 1983, to December 14, 1983, by City Council Intern Nelson Miller under the supervision of City Clerk Sandra Kennedy for use by the Committee to Evaluate the Mayoral Salary. Sources are as specified in the following notes:

¹ Indiana Code 18-1-6-2, and Fort Wayne City Code Sec. No. 8-1.

² 1980 Census figures for the city of Fort Wayne.

³ Civil City budget figure for 1983. A public information officer dispatch from the mayor's office puts city owned and operated assets at more than one billion dollars.

⁴ Personnel Department figures for November 1, 1983 (civil city) and December 3, 1983 (city utilities).

⁵ Fort Wayne Civil City Budget, and estimates from General Accounting, City Utilities. Flexible, asset accounting procedures for city utilities make exact figures difficult to obtain and relatively meaningless, but a public information dispatch from the mayor's office put the total budget, including city utility asset expenditures and grant funding, at

\$100 million per year.

6 Indiana Code 18-1-6-2.

7 Ibid., and Indiana Code 18-2-1-4.2.

8 Ibid.

9 Ibid., and Fort Wayne Code Sec. No. 8-9.

10 Interview with Public Information Director Bruce Hetrick on December 14, 1983.

11 Fort Wayne Code Sec. No. 20-15.

12 Interview with Matt Collins, Personnel Department, City of Fort Wayne.

All figures are current; a 5% pay raise is scheduled for those positions listed, beginning January 1, 1984.

ANALYSIS OF MAYOR'S SALARIES
IN COMPARABLE CITIES

COMPARIABLE CITIES COMPARISON

Cities 100,000 - 249,999 Population

BACKGROUND: Our investigation revealed that there are 96 US cities with population in the range 100,000 to 250,000. Of these 33 use the strong Mayor-Council form of government; 57 use the strong Council-Manager form while 6 use a Commission. The geographic distribution of the cities:

Number of Cities in Class

Northeast	14
North Central	21
South	34
West	27

Salaries for Municipal Officials in this group increased in 1982 9.25% and for the period 1978-82 salaries increased 8.9% annually. Salaries for Chief Executive Officers for cities in the population class 100,000 to 250,000 fall within the following statistical parameters:

<u>Description</u>	<u>Mean</u>	<u>1st. Quartile</u>	<u>Median</u>	<u>3rd. Quartile</u>
Mayor	\$22,354	\$ 7,500	\$19,000	\$37,500
City Manager	\$58,614	\$52,282	\$58,241	\$64,478
Commissioner	\$36,034	\$28,683	\$36,653	\$38,250
Mayor-Strong Mayor/Council	\$40,566	\$34,250	\$42,000	\$44,281

An extract of cities with population \pm 10% of Fort contained nine comparable cities of which five use a Mayor-Council form of government, in the additional four cities an elected Mayor is also used. In these four cities the duties of the Mayors are ceremonial and token in nature.

The average for Cities population \pm 10% 172,000 with a Mayor-Council government is \$43,000, the average salary for City Managers in the same class is \$53,133. Fifty percent of Mayors running cities in the Fort Wayne population class earn between \$35,250 and \$44,281.

COMPENSATION COMPARISON OF CITIES SIMILIAR TO FORT WAYNE

<u>City</u>	<u>Form of Gov.</u>	<u>Pop.</u>	<u>No. of Emp.</u>	<u>1982 Opr. Budget</u>	<u>No. of Dept. Heads</u>	<u>Mayor's Salary</u>	<u>City Mgr Salary</u>
Montgomery, AL	MC	177,857	2,085	\$51 Million	10	\$50,000	
Iverside, CA	CM	170,591	1,900	\$175 Million	11	\$30,800	\$58,000
Columbus, GA	MC	169,441	1,900	\$50 Million	6	\$26,000	\$40,000
Lincoln, NE	MC*	161,148	1,800	\$38 Million	13	\$45,000	-
Syracuse, NY	MC*	170,105	2,100	\$91.6 Million	30	\$55,000	-
Knoxville, TN	MC*	175,045	2,100	\$95 Million	5	\$43,000	-
Abbeok, TX	CM	173,979	1,700	NA	5	\$ 900	NA
Spokane, WA	CM	171,300	1,540	NA	5	-	\$61,400
Madison, WI	MC*	170,616	2,000	\$95 Million	12	\$41,000	-

* Strong Mayor/Council
 CM = Council/Manager
 MC = Mayor/Council

PUBLIC AND QUASI-PUBLIC AGENCY
SALARY COMPARISONS

Public and Quasi-Public Agency Salaries

Salary ranges and actual salaries for officials in Fort Wayne public and quasi-public agencies are substantially higher than that for the Mayor of Fort Wayne. Listed below are a selection of salary ranges and actual salaries where available.

<u>Position</u>	<u>Agency</u>	<u>Range</u>	<u>Approximate Salary</u>
Executive Director	Girl Scouts	\$25m-37m	\$33,100
General Manager	P.T.C.	\$28.1m-41.8m	\$36,400
Executive Director	Fine Arts Foundation	\$32m-40m	\$36,000
Executive Administrator	United Way	\$33.7m-56.2m	\$45,500
Superintendent	F.W.C.C.	?	\$60,000
Top Executive	Chamber of Commerce	?	\$60,000+

Based on these salaries and a comparison of budget and administrative responsibility, the salary for the Mayor of Fort Wayne should be approximately \$50,000 (with a range of \$40,000 - 60,000).

PRIVATE SECTOR SALARY COMPARISONS

Project: FORT WAYNE MAYOR'S COMPENSATION SYSTEM

OBJECTIVE: I have been asked to compare the Mayor of Fort Wayne's total compensation to the compensation paid to similar jobs in private industry. As we all know, the job of Mayor is not directly comparable to jobs in the private sector, therefore, I made the following assumptions and comparisons in order to obtain a dollar value for the job:

- 1) The Mayor's job was compared to private industry jobs that are as close as possible based on job content.

Since the Mayor is running a major non-profit organization with the same or similar authority and responsibility as an individual in a profit making organization, I primarily compared the job to that of a Chief Operating Officer in the private sector. (See Exhibit I for salary data.)

- 2) Secondly, I compared the Mayor's salary to the total cash compensation data of the third to the fifth highest paid individuals in the private sector of the bottom 100 companies of the Fortune 500. I chose this group of companies because their financial size is closer to that of the City. (See Exhibit II and Exhibit III.)

Fredrick P. Farkas
Lincoln National Corporation
January 13, 1984

EXHIBIT I

Compensation for Chief Operating Officer
for a Profit Making Organization

1982 Base Salary Data

Manufacturing (Durable Goods)	\$172,300 (Bonus Company) 151,900 (Non-bonus Co.)
Manufacturing (Non-durable Goods)	\$196,700 (Bonus Company) 148,100 (Non-bonus Co.)
Non-manufacturing (Service)	\$161,300 (Bonus Company) 132,600 (Non-bonus Co.)
Financial Service	\$155,200 (Bonus Company) 135,500 (Non-bonus Co.)

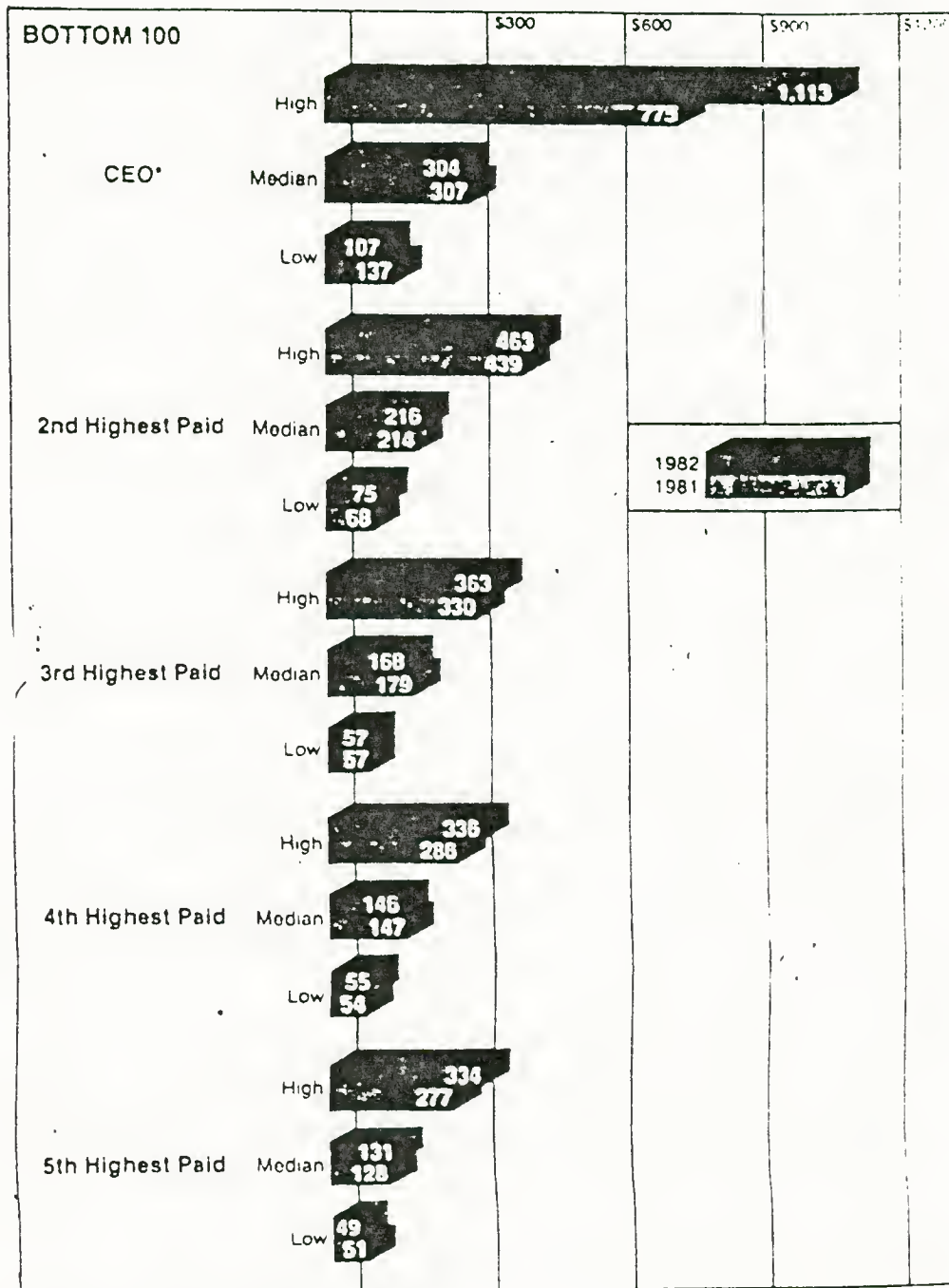
Data obtained from the 1983 Arthur D. Young
Executive Compensation Survey.

EXHIBIT II

BOTTOM 100							
Sales	1982	505,604					
	1981	564,924					
	% Change (10.5)						
Assets	1982	345,474					
	1981	361,564					
	% Change (4.5)						
Equity	1982	165,039					
	1981	179,935					
	% Change (8.3)						
Profits	1982	16,076					
	1981	23,737					
	% Change (32.3)						

Data obtained from Towers, Perrin, Forster & Crosby
1983 Executive Total Compensation Study.

EXHIBIT III



*CEO is not always the highest paid.

Data obtained from Towers, Perrin, Forster & Crosby
1983 Executive Total Compensation Study.

FINAL RECOMMENDATION OF THE COMMITTEE

Recommendation for the Compensation
Level for the Mayor of Fort Wayne

Project Definition

The original objective as set out for the Mayor's Salary Review Committee was to review the appropriateness of the mayor's salary and salary range as to its competitiveness and its impact on the other employees within the city government. After an analysis of the current salaries and the pay schedule was completed, it was ascertained by this committee that the project of reviewing the mayor's salary was only one problem and that other problems became apparent that seemed appropriate for this committee to address as part of its recommendation on the mayor's salary.

While analyzing the mayor's salary and the salary of other professionals, it was evident that there was a very serious problem in that there was a salary compression among the senior professionals and managers in the city government. Compression is one of those compensation problems that receives little attention until it becomes too serious. Most of the time the attitude towards compensation compression is one of "we'll worry about that when it happens." At that point the damage has been done and attempts to correct the problem may not satisfy the morale of the employees concerned. Compression at this level is defined as existing when an employee's salary is close to or the same as that of another employee relative to the perceived difference of the job's value in the organization hierarchy. This problem can be exemplified by the fact that six individuals who directly report to the mayor earn no more than \$2.00 less on an annual basis than the mayor does in 1984. In addition, in labor grades 11 through 20 in which more than 600 employees fall, the total salary spread between the mayor's salary and the average salary in a grade 11 is a total of \$13,740. With that many people represented, it would seem that the spread in salaries is inappropriately too narrow to differentiate the skills and accountabilities of the jobs represented. Therefore, we ascertain by having either outdated salary ranges for the mayor and for the rest of the senior staff, or by holding back on the amount of the mayor's salary increases, the salaries of the other employees on the staff were allowed to rise to a point where all salaries have been compacted regardless of performance and the value of their job within the city's labor grade hierarchy.

By not having an appropriate salary set for the mayor and appropriate salary ranges to allow for differentiation for performance, the city will have difficulty in attracting and retaining superior professionals needed to support a sound city government.

Objectives

1. Recommend an appropriate salary range and appropriate salary for the mayoral position.
2. Recommend appropriate salary ranges that will support the acquisition and retention of a qualified professional staff for the city government.
3. Recommend a methodology for implementing the above recommendations and preventing the same problems from occurring in the future.

Methodology for Analysis

The methodology is the steps taken to come to conclusions in order to make a logical recommendation to solve the problems defined.

- Step 1 -- Analysis of the salary market competitiveness for similar types of mayoral positions in similar size cities countrywide.
- Step 2 -- When the salary analysis has been completed, establish a salary range that will be competitive for the mayor's position in 1985 and recommend an appropriate salary level for the mayor's at that point.
- Step 3 -- Determine the impact of that recommendation on other city employees and establish an appropriate recommendation that will assist the city in maintaining internal equity and external competitiveness and relieve the salary compression problem.

Recommendations

- (1) After the methodology and the analysis was completed, the committee was ready to finalize its recommendations. Based on the market analysis that was completed (see Exhibit 1), the committee recommends adjusting the mayor's salary for the 1985 fiscal year to \$50,000.

In addition, even though it is not part of the base salary recommendations, in reviewing the total compensation package for the mayor, the committee believes one important benefit is missing in the package. The city should provide, in addition to the funding for a state pension and a major medical plan, a term life insurance plan of approximately \$100,000 in value.

- (2) Using the current 20 labor grades system already established, install the recommended salary ranges for those grades (see Exhibit 2). These ranges were established using the mayor's salary range grade 20 and decreased each succeeding range downward in order to differentiate appropriately among the different levels of positions within the city's hierarchy. By implementing salary ranges such as these and administering those salaries appropriately using the "midpoint" or "control point" as a guide in salary administration, future compression situations should be relieved and allow the city to attract and retain a competitive work force and have ranges that have a meaningful progression for promotional perspectives.
- (3) An important aspect to any salary administration system is the proper maintenance of that system. Therefore, we are also recommending that the salary ranges be analyzed and reviewed periodically in order to ensure their competitiveness in the marketplace.

- (4) We are recommending further research and development of a sound performance based merit salary administration system for all employees, where the midpoint or control point of the salary range would be the point at which salaries are controlled and only top performing employees or extremely long service employees within a salary grade would receive salary increases above that point. A sound, well administered performance pay system would assure that salaries are established appropriately and the differentiation among salaries or within a salary grade would be for the appropriate reasons.

Implementation

Following are the recommended guidelines by the committee to implement the above recommendations in order to solve the defined problems. We have outlined these in order of the recommendations above.

- (1) In relation to the mayor's salary as stated above, adjust the mayor's salary to \$50,000.
- (2) Establishing the 19 salary grades for all other city employees. The implementation phase of this recommendation will be the most difficult because of the impact on so many employees. In grades 11 through 20 this should be no problem as most of the employees in this group are low in their proposed range or even below the minimum. We would recommend all those employees below the minimum be adjusted to the minimum of their range after verifying that each individual is in the appropriate position and salary grade. This should be done prior to the annual salary increases. This will not immediately solve the problem, but it will be a first step in relieving the compression problem by bringing the employees who are below their salary grade minimum into their new salary ranges and separating their salaries from the lower labor grade employees who are being paid high in their range. In labor grades 1 through 10, the utmost precaution should be taken because the salaries actually paid for those employees in these salary grades average above the recommended midpoints and no doubt there will be employees being paid over the maximum. The first step in implementing this recommendation should be a detailed salary market analysis for similar positions that fall within the first ten salary grades to verify the market competitiveness of those ranges. This should be a local salary market analysis for the Fort Wayne area. If that analysis shows that the recommended salary ranges are competitive, then it would establish that the salaries being paid by the city are greater than the value of the jobs in the marketplace and therefore appropriate action should be taken to slow down the salary increases or cease them for those employees who are very high in their range or over the maximum value for their job. Even though the committee is recommending adjusting the salaries to bring people within the value of their range, we are not recommending cutting salaries for those people over the maximum at this point. It would have a severe impact on morale within the city's organization.

Closing Remarks

In order for any organization to run smoothly, it must have a well organized and administered pay system. Employers, whether a profit making business, non-profit organization, or government body such as the City of Fort Wayne, large or small, all have similar objectives in their compensation program: to attract qualified employees, to retain those employees, and to motivate those employees to perform their duties and tasks in the most efficient and effective manner. In all cases, whether a profit making business or government organization, where a limited financial resource is involved, the market rate for jobs must be considered. In order to achieve the three basic objectives enumerated above, the organization cannot pay significantly below the market for very long for the simple reason that qualified employees will seek employment elsewhere at the higher market rate.

COMPARIABLE CITIES COMPARISON

Cities 100,000 - 249,999 Population

BACKGROUND: Our investigation revealed that there are 96 US cities with population in the range 100,000 to 250,000. Of these 33 use the strong Mayor-Council form of government; 57 use the strong Council-Manager form while 6 use a Commission. The geographic distribution of the cities:

	<u>Number of Cities in Class</u>
Northeast	14
North Central	21
South	34
West	27

Salaries for Municipal Officials in this group increased in 1982 9.25% and for the period 1978-82 salaries increased 8.9% annually. Salaries for Chief Executive Officers for cities in the population class 100,000 to 250,000 fall within the following statistical parameters:

<u>Description</u>	<u>Mean</u>	<u>1st. Quartile</u>	<u>Median</u>	<u>3rd. Quartile</u>
Mayor	\$22,354	\$ 7,500	\$19,000	\$37,500
City Manager	\$58,614	\$52,282	\$58,241	\$64,478
Commissioner	\$36,034	\$28,683	\$36,653	\$38,250
Mayor-Strong Mayor/Council	\$40,566	\$34,250	\$42,000	\$44,281

An extract of cities with population \pm 10% of Fort contained nine comparable cities of which five use a Mayor-Council form of government, in the additional four cities an elected Mayor is also used. In these four cities the duties of the Mayors are ceremonial and token in nature.

The average for Cities population \pm 10% 172,000 with a Mayor-Council government is \$43,000, the average salary for City Managers in the same class is \$53,133. Fifty percent of Mayors running cities in the Fort Wayne population class earn between \$35,250 and \$44,281.

COMPENSATION COMPARISON OF CITIES SIMILIAR TO FORT WAYNE

<u>City</u>	<u>Form of Gov.</u>	<u>Pop.</u>	<u>No. of Emp.</u>	<u>1982 Opr. Budget</u>	<u>No. of Dept. Heads</u>	<u>Mayor's Salary</u>	<u>City M Salary</u>
Montgomery, AL	MC	177,857	2,085	\$51 Million	10	\$50,000	
Iverside, CA	CM	170,591	1,900	\$175 Million	11	\$30,800	\$58,00
Columbus, GA	MC	169,441	1,900	\$50 Million	6	\$26,000	\$40,00
Lincoln, NE	MC*	161,148	1,800	\$38 Million	13	\$45,000	-
Syracuse, NY	MC*	170,105	2,100	\$91.6 Million	30	\$55,000	-
Noxville, TN	MC*	175,045	2,100	\$95 Million	5	\$43,000	-
Abbock, TX	CM	173,979	1,700	NA	5	\$ 900	NA
Pokane, WA	CM	171,300	1,540	NA	5	-	\$61,40
Madison, WI	MC*	170,616	2,000	\$95 Million	12	\$41,000	-

* Strong Mayor/Council
 CM = Council/Manager
 MC = Mayor/Council

Exhibit 2

City of Fort Wayne Proposed 1985 Salary Ranges

<u>Labor Grade</u>	<u>Minimum</u> (2)	<u>Control Point</u> (1)	<u>Maximum</u>	<u>% Decrease from next higher grade</u>
20	\$40,000	\$50,000	\$60,000	10
19	36,000	45,000	54,000	10
18	32,400	40,500	48,600	10
17	29,200	36,500	43,800	10
16	26,200	32,800	39,400	10
15	23,600	29,500	35,400	10
14	21,300	26,600	31,900	10
13	19,100	23,900	28,700	10
12	17,200	21,500	25,800	10
11	15,500	19,400	23,300	10
10	13,900	17,400	20,900	10
9	12,600	15,800	19,000	9
8	11,500	14,400	17,300	9
7	10,000	13,200	15,800	8
6	9,800	12,200	14,600	8
5	9,000	11,300	13,700	7
4	8,400	10,500	12,600	7
3	7,900	9,900	11,900	6
2	7,400	9,300	11,200	6
1	7,000 (3)	8,700	10,400	6

- (1) Control point is defined as the value of the job in the marketplace in relation to the hierarchy of jobs in the city government.
- (2) Salary ranges are developed by multiplying the midpoint by .8 and 1.2 to establish a 20% variance from midpoint.
- (3) A \$7,000 Grade 1 minimum is at the federal minimum wage equal to \$3.35/hour